

Americans, middle-class Americans, unemployed Americans.

Mr. Speaker, I support this bill. I encourage our colleagues on the other side of the aisle to put partisan politics aside and join us in a bill that is good for the whole Nation.

STUDENT LOANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. HILLIARD] is recognized for 5 minutes.

Mr. HILLIARD. Mr. Speaker, I stand before you today to protest the latest calamity that the Republicans have forced upon the citizens of this Nation. Once again, the Republicans are robbing middle-class families in order to offer tax benefits for the wealthy. This trend of the new Republican majority has reached alarming proportions.

Now, the Republicans have targeted college loan programs for cuts to pay for tax breaks to rich special interest groups. The contract on America would drastically cut funding for the Perkins Loan Program, Work-Study Programs, and Supplemental Education Opportunity Grants. Money from all of these programs accounts for over 75 percent of the financial aid that is distributed in this country every year.

If we allow the Republicans to cut funding for college students, the middle class will end up having to pay over \$20 million over the next 5 years. This burden is too heavy to place upon the backs of the working families of America, and we cannot allow it.

Our young people are one of our most important resources. No young person who is capable of learning should be denied the opportunity to pursue a higher education.

A good education is crucial for success in this country. Investment in the successful futures of young people is one of our most critical obligations, and everyone must take it seriously. There is no greater cause than investing in the expansion of young minds.

I know that many of this Nation's most prominent citizens arose from humble beginnings, and improved themselves with Government-funded financial aid programs. With higher education costs rising every year, more and more families need a little more assistance in sending their kids to college.

The Republicans want to deny these underprivileged youths the opportunity to improve themselves, even though many of them relied on student loans to finance their own education. I don't know how they can justify taking away one of the best means to improve America's future, just to satisfy the greed of the very wealthy.

President Clinton has stated that he will stand firm against any attempts to eliminate or scale back student loan programs. We, as Democrats, are behind the President in standing up for working families.

Middle-class families work much too hard to have the fruits of their labor taken away for the benefit of the Republican's wealthy contributors.

The Republicans have reached an all-time low with this proposal. I give them and their Contract on America an "F."

□ 1715

And for emphasis, I suggest once more to you that if we are to survive as a strong nation, Mr. Speaker, we must educate our youth.

INVESTMENT AND JOB CREATION

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Maryland [Mr. BARTLETT] is recognized for 5 minutes.

Mr. BARTLETT of Maryland. Mr. Speaker, I rise this evening in strong support of H.R. 1215, because it is an investment and job-creation bill.

Let me talk for just a moment about tax cuts in general and what they do. First of all, let me say that tax cuts are not a government giveaway. What the Government is doing is simply taking less of your hard-earned money.

The Federal Government has no a priori right to your money. When they take less of your money, that is not a Government giveaway. It is simply letting you keep more of what is rightfully yours.

Republicans and small business all across the country, indeed, large businesses also recognize that the engine of job growth in America is small businesses. The statistics from our recovery from the last recession are really very illuminating. If you place the companies across our country in categories relative to the number of employees, 5,000 employees and above, and then smaller and smaller until you get down to the smallest companies, and those are with zero to four employees, the new jobs that were created in recovery from the last recession, a tiny percentage of those were created in the companies that had 5,000 employees and more. No company below that, no group of companies below that, increased their work force at all. It relied on the smallest of these groups of companies, the zero to 4 employees. There more than 90 percent of all the new jobs were created. This makes it very apparent that capital investment, capital for small businesses is very, very important in our job force, particularly so when we are trying to recover from a recession.

I sit on the Small Business Committee, and I have been impressed over and over with witnesses there how important, how important venture capital is. Regrettably, the Federal Government has in the past, and we are correcting that, the Federal Government has been playing the role of investment banker. It has been taking the hard-earned dollars from American workers and trying to make choices of who will succeed

and who is not likely to succeed in the business world. They have not done very well at that, because it is not a proper function of government.

We do need money for small business, but this money should not be controlled by the Government. Our oppressive tax structure, after a business finally even gets enough money to get started, our oppressive tax structure penalizes people for success in the business.

We had one witness in the committee which told of a friend of his who had a company of over 100 people. The Government was taking more than about half of the money that his company made, and if he was able to save the rest of it, when he went to pass it on for his children, the Government would take more than another half of it. So his children were going to get about 20 cents of each dollar that he earned now. He did not need the company and all of the headaches and the Government harassment, and so he quit. There were 100 people out of work, because there was no incentive for him to continue to work.

We need to lower this oppressive tax structure.

Mr. SAXTON. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT of Maryland. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Speaker, I would just like the gentleman to yield on the point he is making about Government taking a bigger and bigger bite out of people's pockets and a bigger and bigger bite out of national income.

This chart demonstrates, beginning in 1930 when the Government took 12 percent of national income, to 1940, when the Government consumed 25 percent of national income, to 1960, when it consumed 32 percent of national, all the way up to 1990 when local and Federal Government consumed 42 percent of national income.

What the gentleman is saying correctly and very articulately is that this bill is about trying to turn this around so national income is consumed less by the Government rather than more each decade, as we see is evident on this chart.

I thank the gentleman for making that point.

Mr. BARTLETT of Maryland. Thank you very much. If you continued that, last year, May 27 was tax free day. That is more than 42 percent. But we were not through yet supporting Government, because between May 27 and July 10, every person in America who worked spent all of their money, all the money they made went to pay for unfunded Federal mandates, so the cost of total Government last year took all of the income of all working Americans up until July 10.

This is a tax burden that we cannot bear.

Just a word, in closing, about the capital gains tax. By statute, CBO cannot dynamically score a tax cut. They must statically score it. What that